

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

WEST TEXAS GAS, INC.

FE DOCKET NO. 10-39-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 2776

APRIL 7, 2010

I. DESCRIPTION OF REQUEST

On April 5, 2010, West Texas Gas, Inc. (WTG) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)¹ for blanket authorization to export up to 50 billion cubic feet (Bcf) of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term beginning on June 1, 2010.² WTG is a Texas corporation with its principal place of business in Midland, Texas.

II. FINDING

The application has been evaluated to determine if the proposed import and export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import and export of natural gas, including liquefied natural gas (LNG), from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG from other international sources are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by WTG to export natural gas to Mexico, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

¹/ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for FE pursuant to Redlegation Order No. 00.002.04D (November 6, 2007).

²/ WTG's blanket authorization to export natural gas to Mexico granted in DOE/FE Order No. 2486 on April 16, 2008, extends through May 31, 2010 (2 FE ¶ 71,609).

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. WTG is authorized to export up to 50 Bcf of natural gas to Mexico pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on June 1, 2010, and extending through May 31, 2012.

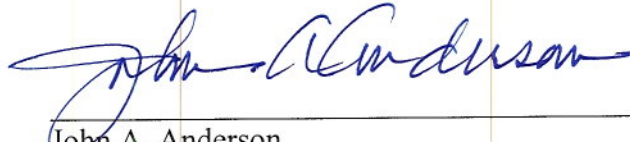
B. This natural gas may be exported at any point on the border between the United States and Mexico.

C. **Monthly Reports:** With respect to the natural gas exports authorized by this Order, WTG shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of “no activity” for that month must be filed. If exports of natural gas have occurred, the report must give the following details: (1) the country of destination; (2) the point(s) of exit; (3) the volume in thousand cubic feet (Mcf); (4) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (5) the name of the supplier(s); (6) the name of the U.S. transporter(s); and (7) the estimated or actual duration of the supply agreement(s). [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than July 30, 2010, and should cover the reporting period from June 1, 2010, through June 30, 2010.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at Yvonne.caudillo@hq.doe.gov or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on April 7, 2010.



John A. Anderson
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy